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FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4839
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 1012
RUEHSL/AMEMBASSY BRATISLAVA 0037
RUEHBY/AMEMBASSY CANBERRA 9784
RUEHCP/AMEMBASSY COPENHAGEN 0248
RUEHKA/AMEMBASSY DHAKA 4245
RUEHLO/AMEMBASSY LONDON 1704
RUEHNE/AMEMBASSY NEW DELHI 3432
RUEHFR/AMEMBASSY PARIS 0432
RUEHUL/AMEMBASSY SEOUL 6881
RUEHKO/AMEMBASSY TOKYO 4497
RUEHCI/AMCONSUL CALCUTTA 0829
RUEHCN/AMCONSUL CHENGDU 0832
RUDKIA/AMCONSUL CHIANG MAI 0527
RHHMUNA/CDR USPACOM HONOLULU HI
RUEHGV/USMISSION GENEVA 2768
RHEHNSC/NSC WASHDC
RUCNDT/USMISSION USUN NEW YORK 0410
RUEKJCS/SECDEF WASHDC
RUEHBS/USEU BRUSSELS
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001013

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STATE FOR EAP/MLS; PACOM FOR FPA

E.O. 12958: DECL: 06/29/2016

TAGS: [PGOV](#) [PHUM](#) [SNAR](#) [PINS](#) [BM](#)

SUBJECT: SURRENDER OF SHAN STATE ARMY-SOUTH BRIGADE

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Classified By: Classified by Acting P/E Chief Mark B. Taylor; for reasons 1.4 (b, d)

1.(C) SUMMARY: The SPDC has claimed its carefully-choreographed July 17 surrender of a major faction of the SSA-S as its latest success in their ongoing campaign to bring insurgent forces into its collection of cease-fire groups. As in the past, the breakaway SSA-S faction was lured into the regime,s embrace through a combination of autonomy promises, business concessions, and the right to remain armed. The SSA-S is well known for its role in the Shan State drug trade; the breakaway faction,s professed reforms may be little more than media gloss. END SUMMARY

2.(C) In early July, the GOB announced the surrender of the 758th Brigade of the Shan State Army-South, based in the area of the Shan State near Loi Lem. The brigade,s 848 troops appeared for a formal July 17 surrender ceremony in Laikha. SPDC Secretary 1 Lt.Gen. Thein Sein joined the Eastern Division Commander (based in Taunggyi) to receive the Brigade,s weapons and communications gear and welcome the group &into the legal fold of ethnic groups with whom the government has forged cease-fires.

3.(C) Government newspapers July 18 carried extensive coverage of the surrender ceremony, which was also attended by leaders of 15 other ethnic ceasefire groups in the Shan State, members of the diplomatic corps, and media. The SSA-South Brigade Commander, U Mein Sin, formally announced the Brigade,s decision to join the government and renounced the drug trafficking and &inhumane terrorist acts of SSA-S leader Ywet Sit (aka Yord Serk), who still controls 1,000 troops and has not surrendered. According to the media

accounts, the surrendering SSA-S Brigade was presented with gifts of several cars, trucks, farm equipment, and other gifts at the ceremony.

Re-arming the Shan Militia

4.(C) Media reports did not highlight another important aspect of this &surrender:8 the regime,s rearming of the same SSA-S Brigade. While Commander U Mein Sin and other SSA-S officers symbolically handed individual weapons to the regime,s Eastern Division commander, he immediately returned the weapons to the SSA-S leaders so the surrendered group will be able &to carry out security, stability, and regional development tasks.8

The Taunggyi &peace8 tax

5.(C) During a July 14 meeting, the Chairwoman of the NLD's Taunggyi Township Committee, Dr. Than Ngwe, told poloff that the Eastern Division Commander recently tasked his security personnel with collecting 100,000 kyat (approx. \$80) from each store-front vendor in the town. This tax was explained as needed to fund &gifts8 for the surrendering brigade of the SSA-South. Dr. Than Ngwe claimed that the Commander's goal was to raise \$24,000.

Attempted NLD Linkage

6.(C) The state media tried to link the NLD with SSA-S leader Ywet Sit. These reports claim that Ywet Sit assigned a Shan political figure, Khun Kyar Nu, to make contacts with the NLD in Rangoon. (Note: Khun Kyar Nu was jailed in 2005 for his links with the Shan Nationalities League for Democracy and is

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the brother of the late Sabwa (Shan ruler) of Hsipaw and the cousin of imprisoned SNLD Chairman Hkun Tun Oo. He has obvious ties to the SNLD, but no known NLD links. End Note)

7.(C) COMMENT: This latest surrender adds one more party to the 17 major armed groups and 15 smaller groups in the regime,s &legal fold8 of ceasefire groups, reducing the threat presented by the remaining SSA-South insurgent force. By rearming the surrendering Brigade, the regime will try to use the local militia to assist in keeping the remaining SSA-S forces at bay. It also remains to be seen whether this SSA-South breakaway faction has truly weaned itself from the lucrative drug trade or intends to use its new connections to expand its role in that field. Other ceasefire groups have profited handsomely from a range of illegal activities. END

COMMENT

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